

**Department of Housing and  
Community Development**

HOUSING POLICY  
DEVELOPMENT, HCD

APR 2 2007

**ANNUAL HOUSING ELEMENT PROGRESS REPORT**

City of County Name: City of Temple City

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Reporting Period by Calendar Year: from January 1, 2006 to December 31, 2006

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Temple City  
Reporting Period 1-Jan-06 - 31-Dec-06

Table A

### Annual Building Activity Report

#### Very Low-, Low-, and Moderate-Income Units and Mixed-Income Multifamily Projects

Housing Development Information										Housing with Financial Assistance and/or Deed Restrictions	Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	6	7	8	
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.	
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income		See Instructions			
* 9127 Hermosa Dr.	SU	r	X				1	n/a	Deed Restricted	deed restricted/covenant required	
* 5813 Kauffman Ave.	SU	r	X				1	n/a	Deed Restricted	deed restricted/covenant required	
* 5209 Kauffman Ave.	SU	r		X			1	n/a	Deed Restricted	deed restricted/covenant required	
* 5303 Temple City Bl.	SU	r		X			1	n/a	Deed Restricted	deed restricted/covenant required	
* 5205 Doreen Ave.	SU	r		X			1	n/a	Deed Restricted	deed restricted/covenant required	
* by definition, all of the 2nd units in Temple City can be very low or low income											
(9) Total of Above Moderate from Table A2							0				
(10) Total by income units (Field 5) Table A							5				

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***Housing Element Implementation***

(CCR Title 25 §6202 )

Jurisdiction	City of Temple City
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**Table A2**

**Annual building Activity Report Summary for Above Moderate-Income Units**  
**(not including those units reported on Table A)**

No. of Units Permitted for Above Moderate	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes	Total
The 5 2nd units built in 2006 were already reported in Table A						0

# ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

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Jurisdiction City of Temple City  
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Table B

## Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		In lieu of this form, please see attachemnt #1 from the City's RHNA Appeal Lettrer, specifically pages 2,3, & 4.										Total Units to Date (all years)	Total Remaining RHNA by Income Level								
Income Level		RHNA Allocation by Income Level										Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
Very Low	Deed																				
	Restricted Non-deed restricted																				
Low	Deed																				
	Restricted Non-deed restricted																				
Moderate	Deed																				
	Restricted Non-deed restricted																				
Above Moderate																					
Total RHNA by COG.		0																			
Enter allocation number:																					
Total Units		▲ ▲ ▲ ▲ ▲																			
Remaining Need for RHNA Period												▲ ▲ ▲ ▲ ▲									

**ATTACHMENT #1  
APPEAL LETTER  
CITY OF TEMPLE CITY  
REGIONAL HOUSING NEEDS ALLOCATION**

The Draft Regional Housing Needs Allocation Plan allocates to the City of Temple City 1,080 housing units to four income groups. The Draft Plan allocates to the City a construction need that far exceeds those of prior planning periods:

1985-1990	122 housing units
1990-1998	Unknown
1998-2005	161 housing units
2006-2014	1,080 housing units

The housing need for the entire region is 707,219 housing units, or 40.5% higher than the regional need of 503,336 housing units for the 1998-2005 time period. The need allocated to the San Gabriel Valley sub-region is 6.3% of the total regional need compared to 3.7% for the 1998-2005 time period. The share of the regional housing need allocated to the San Gabriel Valley sub-regions are noted below:

1998-2005	18,633 housing units; 3.7% of entire regional need
2006-2014	44,586 housing units; 6.3% of entire regional need

The Draft RHNA allocates **2.4** times (44,586 divided by 18,633) the number of housing units to the sub-region than were allocated for the 1998-2005 planning period.

By comparison, the Draft RHNA allocates to the City **6.7** times (1,080 divided by 161) the number of housing units than were allocated for the 1998-2005 planning period.

Although the sub-region is expected to accommodate 2.4 times the need that was allocated in 1998-2005, the City is expected to accommodate 6.7 times the share allocated for the prior period. Conditions and trends in Temple City in terms of vacant land, population growth and employment growth do not warrant such a tremendous increase in the City's share of the sub-regional housing need.

Table 1 shows the RHNA for the 1998-2005 and 2006-2014 time periods.

**Table 1**  
**City of Temple City**  
**Share of Regional Housing Needs**  
**1998-2005 and 2006-2014**

Income Category	1998-2005		2006-2014	
	Number	Percent	Number	Percent
Very Low	34	21.1%	273	25.3.%
Low	31	19.3%	171	15.8%
Moderate	35	21.7%	181	16.8%
Above Moderate	61	37.9%	455	42.1%
Total:	161	100.0%	1,080	100.0%

Source: Southern California Association of Governments, *RHNA99 – Construction Need and Income Distributions, 1998-2005*, June 2000.

Southern California Association of Governments, *Draft Regional Housing Need Allocation Plan – Planning Period January 1, 2006 – June 30, 2014 for Jurisdictions within the Six County SCAG Region*, January 18, 2007.

## **BASES FOR APPEAL**

The City of Temple City respectfully transmits information pertaining to the "Methodology" and "AB 2158 Factors".

## **RHNA Methodology**

### Replacement Needs

The three components of Temple City's draft allocation include:

Household Growth =	578
Replacement Needs =	465
Vacancy =	<u>37</u>
Total =	1,080

[Note: The replacement housing need of 465 housing units is based on the Preliminary Regional Housing Needs Recommendations that were reviewed by the CEHD Committee on November 2, 2006. The preliminary recommendations included a Temple City allocation of 1,106 housing units and a replacement need of 477 housing units or 43.1% of the total allocation. The above figure of 465 is 43.1% of 1,080.]

Replacement housing needs, according to the RHNA Methodology, are based on the nine-year average between 1997 and 2005 of demolition permits reported to the State Department of Finance (DOF).

This means that the RHNA Methodology applied an annual average of almost 55 demolished units over the 8.5 years of the new RHNA (465 times divided by 8.5 = 54.7).

The City has completed a review of the *Housing Unit Change Reports* that were submitted to DOF for calendar years 1997-2005, the nine-year period. Table 2 below shows the annual and cumulative number of housing units demolished during the nine-year time span.

**Table 2**  
**City of Temple City**  
**Demolitions Submitted to State Department of Finance**  
**1997-2005**

Year	Number of Demolitions	Cumulative Total
1997	22 units	
1998	30 units	52 units
1999	49 units	101 units
2000	48 units	149 units
2001	40 units	189 units
2002	56 units	245 units
2003	69 units	314 units
2004	32 units	346 units
2005	51 units	397 units

Source: City of Temple City, *Housing Unit Change Form*, "Report Units Lost From Fire or Demolitions," 1997-2005.  
[Note: All units lost were single unit structures.]

*Note:*

Total: 397

Annual Average: 44.1

The average annual number of demolished housing units is 44.1. The annual average of 44.1 demolitions applied to the 8.5-year period (01/01/06 to 06/30/14) yields a projected replacement housing need of 375 housing units.

#### Income Distribution

The demolished units are all single-family detached units on lots that average 7,000 square feet. Their current owners demolish the units and then the same owners replace the structure with a larger home.

The City has no control or influence on the homeowner's rights to demolish the existing housing unit, replace the unit with a new structure, and then occupy it. Consequently, the very low- and low-income percentages

attributable to household growth should not be applied to the replacement housing units.

Instead, the income distribution of replacement housing units reflects the incomes of the current owner-occupants, not the countywide income distribution. For this reason, Table 3 shows the income distribution of replacement housing units based on the household incomes of the owners in the City.

**Table 3**  
**City of Temple City**  
**Income Distribution of Replacement Housing Units**  
**January 1, 2006- June 30, 2014**

Income Category	2006-2014	
	Number	Percent
Very Low	42	11.1%
Low	42	11.2%
Moderate	85	22.7%
Above Moderate	206	55.0%
Total:	375	100.0%

Source: U.S. Department of Housing and Urban Development, *CHAS Data Book*, "City of Temple City Housing Problems Output for All Households," Owners Income Distribution, 2000. This source was used for the household income distributions of very low- and low-income homeowners (11.1% and 11.2%). The moderate- and above-moderate income distributions are based on the proportional distributions of all households as shown on Attachment C, CHED Committee, November 2, 2006, page 3-3.

### **AB 2158 Factors**

Factor 1: *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities.*

The RHNA does not ascribe a specific meaning to the term "land suitable for urban development". Chapter 724 amended housing element law to: a) clarify the relationship between the land inventory and adequate sites requirement (i.e., land resources), b) provide more specific guidance on the content of an adequate land inventory, and c) greater development certainty. The land inventory (per Section 65583.2(a)) must include:



Vacant residentially zoned sites.

Vacant non-residentially zoned sites that allow residential uses.

Underutilized residentially zoned sites that are capable of being developed at a higher density or with greater intensity.

Non-residential zoned sites that can be redeveloped for and/or rezoned for, residential use (via program actions).

#### Vacant Residentially Zoned Sites

The City has no vacant residentially zoned sites. All of the residential sites designated by the General Plan and Zoning Map have been developed.

#### Vacant Non-Residentially Zoned Sites That Allow Residential Uses

There are no vacant commercial sites.

There are no vacant industrial sites.

#### Underutilized Residentially Zoned Sites That Are Capable of Being Developed at a Higher Density or with Greater Intensity

Underutilized residentially zoned sites are not available to accommodate new housing construction.

For the most part, the medium and high density developments are built to the density limits allowed by the General Plan and Zoning Ordinance. In some cases, existing developments have fewer housing units than permitted by the City land use regulations. However, on site-specific bases, the difference between the current number of housing units and potential density is not enough to motivate private redevelopment.

The median price of single-family homes is \$580,000 (for homes sold between 09/01/2006 and 02/28/2007). To assemble one acre of land means that six homes (average lot size of 7,000 square feet) would need to be acquired. This, in turn, means that at a minimum \$3.5 million would need to be expended on land acquisition costs alone to assemble one-acre of developed residential land.

If the City were to allow the development of multi-family housing on existing developed single-family lots, this action would not generate additional units because of, among other limiting conditions, the impediment of high housing prices.

### Other Potential Underutilized Sites

There are three underutilized ***non-residential sites*** that have a potential for housing uses through mixed-use development. These three sites could accommodate an estimated 90 housing units. One site has been approved for 52 housing units. The other two sites, which represent potential sites for some housing development, will need to be carefully scrutinized during the preparation of the Housing Element Update. According to Chapter 724:

Pursuant to Section 65583.2(g), *if* the inventory identifies non-vacant sites to address a portion of the regional housing need, the element must describe the additional realistic development potential within the planning period.\* [emphasis added]

In assessing the "realistic development potential," a housing element must consider:

The extent to which ***existing (active) uses may constitute an impediment*** to additional residential development. For example, if the site is occupied by an existing operating use, such as a school, a nursery, etc., the element should describe the condition or age of existing development and describe the potential for such uses to be discontinued and replaced with housing...\*

The element should describe the jurisdiction's current recycling or redevelopment trends, as well as a description of its track record in encouraging and facilitating redevelopment, adaptive reuse or recycling.\*

The analysis should describe if the market is ripe for redevelopment or reuse.\*

The analysis should describe any existing or planned financial assistance or regulatory relief from development standards to encourage and facilitate additional or more intensive residential development on the underutilized sites.\*

\*Source: Memorandum on Amendment of State Housing Element Law – AB 2348, from Cathy Creswell, Deputy Director, Division of Housing Policy Development, Department of Housing and Community Development, transmitted to Interested Parties, June 9, 2005.

Factor 3: Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period. [emphasis added]

Water service to the City is provided by four providers that are not governed the City of Temple City. Input on capacity limitations was obtained from three of the four providers.

The California American Water Company covers about 1/4 to 1/3 of Temple City, and they consider the City to be part of the "San Marino" Service System. According to Jay Burnett, the existing lines would have to be upgraded for anymore than approximately 150 new net water meters in their service area. Mr. Burnett said that a large development, meaning hundreds of units, would require the developer to upgrade existing lines. Mr. Burnett said the costs to upgrade could be passed on to the developer, but that would make most large projects economically infeasible.

The East Pasadena Water Company is a second water service provider to the City. This water company serves the NE portion of Temple City. Mr. Wayne Goehring of the Water Company stated that their existing systems could probably handle another 200 meters for their service area.

The Sunnyslope Water Co. is a third water service provider. The Sunnyslope Water Co. serves at least 1/3 of the City, from the NW end of the City all the way down toward City Hall and east to Baldwin. According to this Water Co., most of their service area in Temple City is served by 6" lines, which cannot support much, if any growth.

Most of Sunnyslope's service area are 6" lines from the 1920s and they exclusively use local groundwater. However, a few streets in Temple City do have 20" lines, but only in a limited area. For instance, if a large new tract near City Hall were approved for development, it would not be possible to meet fire flow or water service requirements.

The above three water service providers serve almost the entire area of Temple City. The providers can serve 350 new net water meters for all consumers residential, commercial and industrial. Water demand beyond this number of net water meters would be difficult, if not impossible, to meet within the 2006-2015 planning period.

The fourth water company is called Golden State Water Company.

Factor 4: The market demand for housing.

This AB 2158 factor was explained as follows under the topic heading of "Development of Allocation Methodology" in Exhibit A of the SCAG Public Hearing Notice published on December 1, 2006:

"All indicators of market demand, such as trends of building permits, household growth, employment growth and population growth are built into the forecasting methodology and model throughout all geographic areas."

The City requests an adjustment to the RHNA allocation due to the factor of "market demand for housing." Market demand implies "effective demand" for housing – that is, demand for housing that is not subsidized or financially assisted by public funds.

The draft RHNA implies a "market demand" for 636 housing units for moderate- and above-moderate income households. The 636 housing units convert to an annual average construction need of 75 "market rate" housing units. However, as shown in Table 4, the actual rate of "market rate" construction in Temple City the past six years has been 19 housing units per year (171 housing units divided by nine years= 19 per year).

Based on past growth trends, the market demand for housing would be 162 housing units (19 per year X 8.5 years = 161.5). The Draft RHNA allocates a market rate construction need of 636 housing units, a number that is 474 housing units greater than evidenced by market rate housing demand (RHNA = 636 less City demand = 162 = 474). The incremental increase in housing market demand – 474 -- is not supported by the trends of housing demand, population growth and employment growth in the City of Temple City.

Since local conditions do not create the incremental increase in the market demand for housing, it would have to be generated by conditions outside the City limits. However, the City is unaware of any major job generating projects or major housing developments in any of the communities near Temple City – Alhambra, Arcadia, El Monte, Rosemead, San Marino, and San Gabriel. All of these communities – including Temple City – are located within a logical housing market that is bounded by the Foothill (210) Freeway, Long Beach (710) Freeway, San Bernardino (10) Freeway, and San Gabriel (605) Freeway.

There are, to the City's knowledge, no conditions in the above described housing market area that would generate a need for the City to accommodate a housing demand than exceeds local trends by 474 housing units.

**Table 4**  
**City of Temple City**  
**Net Increase in Housing Units**  
**1997-2005**

Year	Number of Demolitions	Units Gained Thru New Construction	Net Increase in Housing Units
1997	22	45	23
1998	30	39	9
1999	49	63	14
2000	48	49	1
2001	40	78	38
2002	56	56	0
2003	69	126	57
2004	32	63	31
2005	51	49	-2
Total	397	568	171

Source: City of Temple City, *Housing Unit Change Form*, "Change in Housing Units," 1997-2005. [Note: All units lost were single unit structures. 559 of the 568 units gained thru new construction were single unit structure; 3 units were in a triplex, and 6 unit in one structure.]

# ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Temple City  
Reporting Period 1-Jan-06 - 31-Dec-06

Table C  
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including progress in removing regulatory barriers as identified in Housing Element.		
Name of Program	Objective	Deadline in H.E.	Status of Program Implementation
Senior Housing Overlay Zone	Encourage affordable Housing for Senior Citizens	None	A Senior Housing Overlay Zone was adopted
Adhere to State Guidelines for Density Bonus	Encourage production of affordable housing	None	Ongoing, if an application is submitted, we shall comply
Allow emergency shelters in the M-2 zone with a C.U.P.	To allow for emergency shelters and transitional housing	None	Ordinance was adopted to allow such shelters and housing with a Conditional Use Permit
Encourage construction of affordable Senior Housing	Encourage affordable housing for Seniors	None	A Senior Housing Overlay was adopted
Housing Rehabilitation	Continue to provide rehabilitation	None	Have continued \$25,000 low interest loan program, and created a grant program in 2005, have provided \$10,000 grants to more than 90 homeowners
Subdivided units at risk for conversion	Ensure long term affordability for subdivided units	None	Ongoing

In addition to the above General Plan Programs, since 2002 Temple City has adopted a Second Unit Ordinance (these units are required to be occupied by very low or low income renters), a Mixed Use Overlay Zone Ordinance (which encourages affordable residential units in Commercial zones), and has adopted a flag lot Ordinance which allows many single-family residences to be subdivided into smaller lots.